

## MEMORANDUM

## NATIONAL SECURITY COUNCIL

SECRETINFORMATION

February 27, 1975

DOS REVIEWED 21 MAR 2011 NO OBJECTION TO DECLASSIFICATION

*Thanks. [Signature]*

MEMORANDUM FOR: BRENT SCOWCROFT

FROM: JAN M. LODAL *jml*

SUBJECT: F-111 and Red Eye

This memorandum provides background information on the proposed rescission of funds for the F-111, and on the costs of the Red Eye.

F-111 Rescission

Pending final Congressional action on the Administration's proposed rescission of funds for the F-111, the Air Force has been obligating funds at a rate just sufficient to keep the F-111 production line open.

At the moment, Congressional action on the rescission is not settled. Although the full House approved the rescission (overturning Rep Mahon's recommendation to keep production going), the Senate is still a question mark. If the Congress does not approve the rescission by March 1 (the 45th working day after introduction), OMB must release all the funds for obligation. Of course, the Congress can still take action later to turn things around if it wants.

Another interesting aspect involves Rep Aspin. Late last week a member of Rep Aspin's staff called OMB and the Air Force and asked about the F-111 rescission proposal. In brief, the questions by Aspin's staffer and the OMB/USAF answers went something like this:

Q: What do you buy, if anything, if the Congress approves the rescission?

A: A bunch of spare parts, but no airplanes.

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Q: If you knew this would be the case, why did you continue to obligate money in the first place?

A: We had to spend a certain amount to keep the line open; otherwise, we would have foreclosed the Congress' decision.

Subsequently (early this week), Rep Aspin made a speech on the floor of the House charging that the Administration's rescission proposal was phony.

### Red Eye Costs

DOD completed procurement of the Red Eye for US forces in FY 70. However, General Dynamics/Pomona has been producing the Hamlet (a Red Eye with a larger motor) for Foreign Military Sales. Hamlet production has recently decreased to a trickle.

The unit cost of the Hamlet today is \$20,000-\$22,000. This compares with an average unit procurement cost of \$9,000 for the Red Eye missiles produced from FY 64-70. The basic reasons for the higher costs today are as follows:

- Inflation
- The Hamlet's bigger motor
- The low production rate

The Army is developing a follow-on to the Red Eye/Hamlet called the Stinger. The Army will not introduce it into the inventory for several years. Although we do not yet know the unit procurement cost of the Stinger, it will certainly be higher than that of the Red Eye/Hamlet. The Stinger will have two principal operational advantages over the Red Eye/Hamlet as follows:

- Engagement of targets from any aspect. (The Red Eye can engage targets only in a tail chase.)
- Greater acceleration and speed.